



PEPSICO

Q1 2016 Performance

“We are off to a **strong start** to the year and that gives us added **confidence** in achieving our **financial objectives** for 2016.”

- Indra Nooyi, Chairman & CEO of PepsiCo

Solid Operating Results in Q1 2016

+3.5%

Organic revenue¹

+7%

Organic revenue in developing & emerging markets²

Core gross margin

+130

Basis points³

Core operating margin

+165

Basis points³

+11%

Core constant currency EPS⁴

Solid Q1 Performance in North America

North America Beverages

+7%

core constant currency operating profit⁵

Frito-Lay North America

+10%

core constant currency operating profit⁶

Reaffirming 2016 Guidance

Expecting

+8%

core constant currency EPS growth⁷

Expect to deliver

~\$1 BN

in productivity savings

Expect to deliver

~\$7 BN

shareholder cash returns through dividends and share repurchases

¹Reported net revenue declined 3% | ²Reported developing and emerging markets net revenue declined 14% | ³Reported gross margin expanded 160 bps, while reported operating margin contracted 105 bps | ⁴Reported EPS declined 21%

⁵North America Beverages reported operating profit grew 7% | ⁶Frito-Lay North America reported operating profit grew 11% | ⁷Based on 2015 core EPS of \$4.57 and excluding a (2)% impact of Venezuela deconsolidation, Expect (4)% foreign currency translation impact based on current market consensus rates

For full financial data and non-GAAP reconciliations, please refer to PepsiCo's Q1 2016 earnings release and the "Reconciliation of GAAP and non-GAAP information" attachment posted on April 18, 2016, available at pepsico.com/investors.
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Forward-looking statements, including 2016 guidance, involve risks/uncertainties that could cause actual results to differ materially from those predicted. These risks/uncertainties include: changes in demand; regulatory initiatives, including the imposition/proposed imposition of new or increased taxes; competition; economic, political and social conditions or civil unrest; supply or business disruptions; productivity initiatives; product contamination/tampering; reputational damage; fluctuations in exchange rates; and other factors discussed in our most recent filings with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made, and PepsiCo undertakes no obligation to update any forward-looking statements.